



GOVERNOR ARNOLD SCHWARZENEGGER

August 24, 2009

The President
The White House
Washington, DC 20500

Through: Ms. Nancy Ward
Regional Administrator, Region IX
Federal Emergency Management Agency
1111 Broadway
Suite 1200
Oakland, California 94607-4052

Dear Mr. President,

On July 24, 2009, I received the enclosed letter from the Federal Emergency Management Agency (FEMA) denying my request for a major federal disaster declaration in the State of California as a result of severe drought conditions. I specifically requested Disaster Unemployment Assistance, Food Commodities, Crisis Counseling Assistance and Training and Legal Services for Fresno County.

Under the provisions of section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. sections 5121-5207 (Stafford Act), and implemented by Title 44 of the Code of Federal Regulations (44 CFR) section 206.36, I am appealing this denial. The denial letter states that the required response and recovery appears to be within the combined capability of the state, affected local governments and voluntary organizations. This appeal will substantiate that the monetary cost to the state and the economic impact on local governments, combined with the economic impact of recent drought-related fires, make this incident of such severity and magnitude that effective response and recovery is beyond the capabilities of the state and affected local governments, and that supplementary federal assistance is necessary.

The economic crisis has forced California into one of the largest state budget deficits in United States history. Only a month ago, we faced a \$60 billion budget gap. The Legislature and I were forced to eliminate or drastically reduce numerous critical programs and initiate an unprecedented level of borrowing just to keep public safety and other basic programs functioning. Any minimal remaining emergency funds are likely to be exhausted through our normal fire season spending.

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The worsening drought conditions since 2007 have resulted in annual devastating wildfires throughout the state at a high cost to life and property (see attached "All Agencies Acres & Fires"). In 2007, the California Department of Forestry and Fire Protection (CalFire) reported 6,043 fires totaling 1,520,362 acres with federal, state and local government response costs totaling in the hundreds of millions. In 2007, the fire siege in Southern California (FEMA-1731-DR-CA) involved 24 fires affecting seven counties, with 522,514 acres burned, 10 fatalities, 139 human injuries, 3,290 structures destroyed, including homes, and 292 structures damaged. More than 320,000 people were evacuated, making it the largest evacuation in California's history. The eligible reimbursable costs to state and local governments for this fire are projected to be \$316,968,687, of which state and local governments are responsible for up to 25 percent.

In 2008, CalFire reported 6,255 fires totaling 1,593,690 acres. Beginning May 20, 2008, and continuing through August 20, 2008, California experienced the greatest wildfire siege in the state's history spawned by continued drought conditions that produced drier than normal fuels. At the peak of the fire siege, there were more than 2,000 wildfires statewide and nearly a million acres burned. The direct federal assistance provided to California through FEMA-3287-EM-CA provided in excess of \$52.3 million. Eleven counties were designated to be disaster areas by the President. The response to these fires severely taxed California's resources, and total documented disaster costs to date are estimated in excess of \$58.8 million.

In the fall of 2008, another series of devastating fires resulted in a major disaster declaration for five southern California counties (FEMA-1810-DR-CA). At the height of the incident, more than 5,000 firefighters were assigned to the blazes and more than 43,507 acres were burned, 745 houses were destroyed and 124 houses suffered major damage. Projected costs to date are \$57,286,832.

Further, since 2007, a total of 20 Fire Management Assistance Grants were approved for California with total reimbursable dollars projected at \$102,122,350.

In 2009, the continued drought conditions have created a situation that may result in the worst fire season to date. Per an article written by U.S. Department of Agriculture Forest Service staff (see attached), "due largely to the ongoing three-year drought fire season potential across a sizeable portion of Northern California should still fall into the upper third of the historical distribution, i.e., Above Normal." According to a recent CalFire report sent to the Governor's Office, 144,000 acres have been burned since January 1, 2009.

Therefore, the potential for future disasters in California has been increased by the prolonged drought conditions and lower than normal precipitation spanning the past few years. Additional effects of the drought have been far reaching. In May 2008, a statewide drought and water delivery restriction caused the idling of thousands of acres of cropland and substantial economic impact to farmers and agricultural workers, local independent business and industry, devastating California's agricultural industry and the people it employs.

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The statewide river runoff this water year has fallen to 65 percent of average, and the San Luis Reservoir, a major source of Central Valley Project water to the western portion of Fresno County, is currently only one-fifth full. As a point of comparison, San Luis Reservoir has less water in storage today than it did on this date in 1977, when California was suffering from the most severe drought of the 20th Century. Groundwater levels this spring in much of Fresno County have fallen below the levels measured during the major droughts in 1977 and 1992. Despite water conservation and water transfer efforts, water deliveries to western Fresno County are severely reduced this summer due to prolonged drought conditions and additional factors. The Central Valley Project is delivering only 10 percent of water contractors' allocations to western Fresno County this summer. Very low reservoir and groundwater levels and the concern of worsening drought conditions through next winter will continue to severely restrict water deliveries.

As reported in my initial request letter, severe drought conditions have devastated California for three consecutive years. In 2007, preliminary reports for Fresno County reflected a \$4.4 million loss in forage grass production due to drought conditions that began October 15, 2006. During 2008, the reported losses in excess of \$168 million and at the time of the request, the California Emergency Management Agency (Cal EMA) was informed that the amount of losses being reported did not include the impacts that would occur due to the water delivery reductions announced on May 29, 2008.

In 2009, a third consecutive drought year, crop reductions and losses have exceeded \$164 million. This amount does not include reductions and monetary losses anticipated as Fresno County farmers continued to evaluate the effect of their 0 percent water delivery allocation from the Central Valley Project. Since 2007, the preliminary crops and production losses for Fresno County exceed \$335 million. Fresno County received a U.S. Department of Agriculture (USDA) Secretarial Designation due to drought on June 26, 2009, and subsequently, the Small Business Administration declared a disaster, making Economic Injury Disaster Loans (EIDL) available to agriculture-based dependent small businesses and agricultural cooperatives adversely affected by agricultural production losses. However, the impact of the damage reaches beyond the agricultural community, and is expected to result in large reduction in real property values, which will adversely affect property tax revenue.

In 2007, 39 of California's 58 counties received a primary drought designation by the USDA. In 2008, 45 counties received the same USDA designation, with estimated losses totaling in excess of \$200 million. Current year USDA disaster designation requests due to the drought include 22 counties with estimated losses expected to exceed \$800 million. These estimates do not include crop losses to contiguous counties within California. As drought conditions worsen and with less than half of the counties reporting, California expects to see a sizeable increase in losses to the agriculture community. These losses will ultimately affect businesses and employment in an industry that is already struggling.

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As a result of the cumulative damage sustained throughout California resulting from consecutive storms and wildfires over the past four years, the financial resources of the state have been exhausted. Since 2005, California has endured seven major federally declared disasters, two emergency declarations, 34 Fire Management Assistant Grant events and 49 flood, fire and wind events funded under the California Disaster Assistance Act. In addition to the economic impacts on the state from these multiple disasters, there has been a large-scale disruption of normal community functions and services on the local level. The situation has been compounded by the downturn in California's economy, which is almost entirely due to the nationwide recession, and has created the largest budget gap in the state's history.

The economic impact of the drought is especially critical in Fresno County, where per capita income is low and the unemployment rate is high. California does not have a funded Individual Assistance Program, so the state depends on federal funding during a disaster of this magnitude to serve the unmet needs of these populations.

On July 16, 2009, I approved nearly \$4 million in funding to provide food for five weeks to the drought victims in Fresno County. Disaster food distributions have been scheduled bi-weekly at five locations: Firebaugh, Huron, Mendota, San Joaquin and Selma. The average household size per family served at the distributions is 5.24 individuals. There has been difficulty in securing an adequate number of volunteers to staff the distributions to meet the estimated demand, and the duration of distributions have ranged from nine to 13 hours from set-up to the last person being served.

Enclosed are letters from local government and private nonprofit (PNP) organizations within Fresno County that articulate the impacts sustained. They show that there has been a staggering increase in the number of individuals seeking assistance coupled with a significant reduction in the donations being received. While the local governments, PNPs and state agencies have been struggling to meet the needs of the drought-impacted community, the water crisis continues and the demands increase. All of the affected agencies also report that there are not enough funds to continue to serve the community. Many of the PNP and local organizations running food distributions have exhausted their resources and have had to end operations. Several cities throughout California are experiencing decreases in general fund revenues due to the current economic conditions.

In accordance with Title 44 of the Code of Federal Regulations, Section 206.46, I appeal the decision to deny the state's request for a major disaster declaration. I am specifically requesting Unemployment Assistance, Food Commodities, Crisis Counseling Assistance and Training and Legal Services for Fresno County. Additionally, I am requesting assistance from the U.S. Army Corps of Engineers, the implementation of the U.S. Department of Agriculture's Emergency Loan Program and any other Stafford Act programs as appropriate for Fresno County. I am also requesting that Hazard Mitigation Grant funding be made available on a statewide basis. California has met all of the requirements as outlined in the Disaster Mitigation Act of 2000 (DMA 2000), had its State Hazard Mitigation Plan approved by FEMA in October 2004 and received Enhanced State status in December 2007.

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Due to the cumulative drain on state and local resources as the result of the recent multiple disasters, I strongly urge you to consider the information presented in this appeal and approve a major declaration for the severe conditions caused by drought in Fresno County.

If you require further information regarding this appeal, you or your staff may call Mr. Matthew Bettenhausen, Cal EMA Acting Secretary, or Mr. Stephen Sellers, Assistant Secretary of Prevention, Information Analysis and Operations with Cal EMA, at (916) 845-8506.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger", written over the word "Sincerely,".

Arnold Schwarzenegger

Enclosures



FEMA

JUL 24 2009

The Honorable Arnold Schwarzenegger
Governor of California
Sacramento, California 95814



Dear Governor Schwarzenegger:

This is in response to your June 19, 2009, request for a major disaster declaration due to severe drought conditions. You specifically requested a declaration for Unemployment Assistance, Food Commodities, Crisis Counseling Assistance and Training, and Legal Services for Fresno County.

Based on our review of all of the information available, it has been determined that the required response and recovery appears to be within the combined capability of the State, affected local governments, and voluntary organizations. Furthermore, drought relief is within the authority of other Federal agencies such as the U.S. Department of Agriculture (USDA), U.S. Army Corps of Engineers (USACE), and the U.S. Small Business Administration (SBA). Therefore, I must inform you that your request for a major disaster declaration is denied.

This denial may be appealed within 30 days after the date of this letter. The appeal, along with additional information justifying the appeal, should be submitted to the President through Nancy Ward, Regional Administrator, FEMA Region IX, located at:

1111 Broadway, Suite 1200
Oakland, California 94607-4052

I regret that we could not respond favorably to your request.

Sincerely,

W. Craig Fugate
Administrator